The Dun & Bradstreet Corporation

NEWS

For Broadcast On or After
6 p.m. Wednesday, Oct. 25;
For Editions On or After
Thursday, Oct. 26.

Contact: Reid H. Gearhart, (212) 593-6727
Dina Silva-Decker, (212) 593-4164

BUSINESS FAILURES CONTINUE TO DECLINE, DROPPING 15.6 PERCENT IN THE FIRST NINE MONTHS OF 1989

NEW YORK, Oct. 26--U.S. Business failures continued to fall in the first nine months of 1989, dropping 15.6 percent to 37,820 from 44,796 in the same period of 1988, according to The Dun & Bradstreet Corporation.

During the third quarter of 1989 failures decreased 17.8 percent to 11,586 from 14,099 in the third quarter of 1988.

"Except for a few hot spots, notably Georgia, Virginia and Michigan, failures are down virtually across the board," said Joseph W. Duncan, corporate economist and chief statistician for D&B.

Duncan also noted that bankruptcies have decreased 26.4 percent from the comparable nine-month period in 1987, when business bankruptcies were at historically high levels due to stress in the mining and agriculture sectors, as well as fallout from the entrepreneurial boom earlier in the current business-cycle expansion.

-MORE-

"The current decrease in failures represents a continuation of a trend begun in late 1987," said Duncan. "The decline has accelerated in the third quarter this year, underscoring the overall lack of stress in the U.S. economy."

Business failures decreased in every U.S. Census region, with the exception of a 5.3 percent increase in the South Atlantic states.

The only industry sector to report an increase in business failures in the first nine months of 1989 was the finance, insurance and real-estate sector, where failures were up 8.1 percent to 2,046 from 1,892 in the same period last year.

"The troubled savings and loan industry and the subsequent stress in the real-estate sector drove failures up earlier this year," said Duncan. "But the upward trend appears to be subsiding. The current 8.1 percent increase is below the 11.7 percent rise reported in the first six months of 1989."

Business failures in the agriculture, forestry and fishing industry fell 25.1 percent to 1,088 from 1,452, primarily due to sharp decreases in the West North Central, East North Central and Mountain states.

Mining failures continued to decline, dropping 31 percent to 267 from 387. Bankruptcies in the mining industry were down or flat in every U.S. Census region.

With the exception of the South Atlantic states, failures in the services sector fell in every region, decreasing 25.2 percent to 13,546 from 18,118.

"The rise in services failures in the South Atlantic states is primarily due to increased competition resulting from the recent entrepreneurial boom in the region," said Duncan.

Wholesale-trade failures continued to decline, falling 24.6 percent to 2,664 in the first nine months of 1989 from 3,533 in the same period last year. Wholesale-trade bankruptcies were down or flat in all nine U.S. Census regions.

Manufacturing failures decreased 15.0 percent to 2,859 from 3,364; retail-trade failures dropped 7.8 percent to 8,204 from 8,901; and transportation and public utilities failures fell 7.6 percent to 1,500 from 1,624. Business failures in the construction industry decreased slightly, to 5,194 from 5,233.

Regional Trends

During the first nine months of 1989, seven of the nine U.S. Bureau of the Census regions reported decreases in business failures of greater than 10 percent. The South Atlantic was the only region to report an increase, up 5.3 percent to 5,791 from 5,502, but the gain in business failures was below the 10.2 percent increase reported in the first half of 1989.

"The South Atlantic region, particularly Georgia and Virginia, are experiencing higher levels of failures, due in part to stress caused by increased competition resulting from high levels of entrepreneurial activity," said Duncan. "But the upward trend appears to be slowing."

Failures in Georgia increased 43.1 percent to 1,517 from 1,060 and in Virginia failures rose 30.5 percent to 908 from

696. Florida reported an increase of 3 percent to 2,366 from 2,298. Business failures increased in every industry in the South Atlantic region, with the exception of the wholesale trade, the transportation and public utilities and the mining sectors.

The largest percentage decrease in the first nine months of 1989 occurred in the agricultural states of the West North Central region, down 29.1 percent to 2,283 from 3,222. Failures decreased in every industry sector, with the agriculture, forestry and fishing sector reporting a sharp decline, down 63.8 percent to 167 from 461 last year.

The largest decrease in the region was reported in Minnesota, down 49.2 percent to 216 from 425; followed by North Dakota, down 36.9 percent to 77 from 122; and Nebraska, down 35.3 percent to 154 from 238.

During the first nine months of 1989, failures in the Middle Atlantic states dropped 23 percent to 2,879 from 3,737. Business failures in New Jersey plummeted, dropping 47.9 percent to 378 from 725. In New York, failures fell 29.3 percent to 1,385 from 1,959. Pennsylvania, however, reported an increase of 6 percent, to 1,116 from 1,053. Every industry sector in the Middle Atlantic states reported decreases of between 3 percent and 46 percent.

"During the first half of 1988, failures rose in New York and New Jersey, due in part to stress from the stock-market crash in late 1987," noted Duncan.

Business failures continued to decrease in the oil states of the West South Central region, falling 25.5 percent to 6,330 from 8,496 in 1988.

"After reporting high increases of business failures for three years due to stress in the oil sector, the West South Central states reached a turning point in 1988 and the downward trend continues to accelerate," said Duncan.

Business bankruptcies in the services, wholesale trade, mining, and construction industries fell between 20 and 41 percent in the region. Failures in Texas continued to fall, dropping 35.3 percent to 4,095 from 6,329. Failures were down in Arkansas and Louisiana, but Oklahoma reported an increase of 21 percent to 928 from 767.

The Mountain states reported a 24.7 percent decrease in failures, down to 3,350 from 4,449. Services failures in the region dropped sharply, down 38.6 percent to 1,301, while finance, insurance and real-estate failures increased, up 19.9 percent to 235. New Mexico was the only state in the region to report an increase in business bankruptcies, up 10.2 percent to 293 from 266 last year.

Failures in the Pacific states decreased 17 percent to 7,639 from 9,200. Failures fell in all five states, with Alaska reporting the sharpest drop, down 43.5 percent to 135 from 239. Business failures in California fell 16.2 percent to 6,005. On an industry basis failures in the region were mixed, with services failures down 31.2 percent and finance, insurance and

real-estate, agriculture, forestry and fishing and construction failures up.

Business failures in the East South Central states fell 14.6 percent to 2,093 from 2,452. Alabama reported the sharpest decline, down 39.6 percent to 316 from 523. The finance, insurance and real-estate sector reported a slight increase in failures, while all other industries reported decreases.

The East North Central states reported a slight decrease in failures during the first nine months of 1989, dropping to 6,696 from 6,888. Wisconsin, Ohio and Indiana reported decreases, while failures in Illinois and Michigan increased 8.5 percent and 18.2 percent, respectively. On an industry basis, failures in the region were also mixed. Agriculture, forestry and fishing, wholesale-trade and services failures fell, while the retail-trade, construction and finance, insurance and real estate were up.

Business failures in the New England states fell 10.7 percent to 759 from 850 with mixed results. New Hampshire, Connecticut, Vermont and Massachusetts reported decreases, but failures in Maine and Rhode Island posted increases.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $4.3 billion in 1988.

(See Attached Tabular Data)

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

Business Failures by States and Regions
First nine months 1988 vs. first nine months 1989*

	1988		1989		% Change	
	Firms	Liabilities	Firms	Liabilities	Firms	Liabilities
NEW ENGLAND	850	729,038,748	759	1,268,603,873	-10.7%	74.0%
Maine	56	43,732,136	94	20,749,765	67.9%	-52.6%
New Hampshire	124	54,968,301	81	32,123,233	-34.7%	-41.6%
Vermont	34	3,404,134	33	7,372,669	-2.9%	116.6%
Massachusetts	474	589,762,876	414	1,134,221,589	-12.7%	92.3%
Connecticut	125	24,132,281	97	67,088,795	-22.4%	178.0%
Rhode Island	37	13,039,020	40	7,047,822	8.1%	-45.9%
MIDDLE ATLANTIC	3,737	4,219,464,072	2,879	1,900,486,621	-23.0%	-55.0%
New York	1,959	1,268,810,700	1,385	1,104,164,707	-29.3%	-13.0%
New Jersey	725	1,738,704,175	378	319,768,724	-47.9%	-81.6%
Pennsylvania	1,053	1,211,949,197	1,116	476,553,190	6.0%	-60.7%
EAST NORTH CENTRAL	6,888	3,223,713,604	6,696	1,468,845,381	-2.8%	-54.4%
Ohio	1,506	1,710,130,459	1,253	271,937,010	-16.8%	-84.1%
Indiana	731	483,202,731	688	108,122,060	-5.9%	-77.6%
Illinois	2,432	577,711,195	2,639	625,653,843	8.5%	8.3%
Michigan	1,332	344,411,146	1,574	408,734,298	18.2%	18.7%
Wisconsin	887	108,258,073	542	54,398,170	-38.9%	-49.8%
WEST NORTH CENTRAL	3,222	1,298,161,065	2,283	501,404,648	-29.1%	-61.4%
Minnesota	425	188,836,901	216	98,106,367	-49.2%	-48.0%
Iowa	525	209,636,959	429	83,918,018	-18.3%	-60.0%
Missouri	1,113	390,724,791	797	92,097,819	-28.4%	-76.4%
North Dakota	122	31,834,892	77	42,512,087	-36.9%	33.5%
South Dakota	116	6,406,785	111	9,545,486	-4.3%	49.0%
Nebraska	238	150,907,007	154	24,983,611	-35.3%	-83.4%
Kansas	683	319,813,730	499	150,241,260	-26.9%	-53.0%
SOUTH ATLANTIC	5,502	3,160,295,070	5,791	3,134,904,658	5.3%	-0.8%
Maryland	352	155,194,578	169	216,512,809	-52.0%	39.5%
Delaware	54	642,584,692	28	42,713,123	-48.1%	-93.4%
District of Columbia	46	14,042,102	32	17,458,705	-30.4%	24.3%
Virginia	696	205,282,444	908	345,215,288	30.5%	68.2%
West Virginia	167	39,118,416	114	42,601,790	-31.7%	8.9%
North Carolina	531	105,504,625	529	219,929,083	-0.4%	108.5%
South Carolina	298	314,950,778	128	5,799,585	-57.0%	-98.2%
Georgia	1,060	296,838,054	1,517	1,423,572,476	43.1%	379.6%
Florida	2,298	1,386,779,381	2,366	821,101,799	3.0%	-40.8%
EAST SOUTH CENTRAL	2,452	625,897,211	2,093	573,806,917	-14.6%	-8.3%
Kentucky	564	124,501,833	485	91,806,293	-14.0%	-26.3%
Tennessee	965	354,051,368	891	219,563,247	-7.7%	-38.0%
Alabama	523	81,333,008	316	55,606,512	-39.6%	-31.6%
Mississippi	400	66,011,002	401	206,830,865	0.3%	213.3%

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

Business Failures by States and Regions
First nine months 1988 vs. first nine months 1989*

	1988		1989		% Change	
	Firms	Liabilities	Firms	Liabilities	Firms	Liabilities
WEST SOUTH CENTRAL	8,496	9,264,015,507	6,330	8,575,983,382	-25.5%	-7.4%
Arkansas	272	56,910,801	241	84,002,916	-11.4%	47.6%
Oklahoma	767	1,395,074,749	928	488,615,205	21.0%	-65.0%
Louisiana	1,128	1,094,868,958	1,066	1,245,308,867	-5.5%	13.7%
Texas	6,329	6,717,160,999	4,095	6,758,056,394	-35.3%	0.6%
MOUNTAIN	4,449	1,885,623,186	3,350	2,908,365,714	-24.7%	54.2%
Montana	187	49,655,178	147	24,049,280	-21.4%	-51.6%
Idaho	281	291,878,716	165	21,724,167	-41.3%	-92.6%
Wyoming	172	43,163,904	84	12,777,548	-51.2%	-70.4%
Colorado	1,743	707,735,260	1,191	717,696,677	-31.7%	1.4%
New Mexico	266	35,283,205	293	61,986,817	10.2%	75.7%
Arizona	1,076	557,935,679	1,057	2,012,897,951	-1.8%	260.8%
Utah	463	113,738,642	222	2,731,443	-52.1%	-97.6%
Nevada	261	86,232,602	191	54,501,831	-26.8%	-36.8%
PACIFIC	9,200	5,670,092,759	7,639	6,021,082,833	-17.0%	6.2%
Alaska	239	127,302,219	135	921,067,822	-43.5%	623.5%
Hawaii	150	136,234,022	136	36,229,067	-9.3%	-73.4%
Washington	1,247	231,959,612	1,029	161,927,888	-17.5%	-30.2%
Oregon	397	76,840,090	334	55,781,538	-15.9%	-27.4%
California	7,167	5,097,756,816	6,005	4,846,076,518	-16.2%	-4.9%
TOTAL	44,796	30,076,301,222	37,820	26,353,484,027	-15.6%	-12.4%

* Data for 1988 are final; 1989 figures are preliminary.

Source: The Dun & Bradstreet Corporation, Economic Analysis Department

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

Business Failures by U.S. Census Region by industry
First nine months 1988 vs. first nine months 1989*

Industry	New England			Middle Atlantic			East North Central			West North Central		
	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change
Agriculture/forestry/fishing	7	9	28.6%	49	37	-24.5%	275	219	-20.4%	461	167	-63.8%
Mining	0	0	0.0%	15	9	-40.0%	20	20	0.0%	21	9	-57.1%
Construction	129	132	2.3%	489	477	-2.5%	784	956	21.9%	376	280	-25.5%
Manufacturing	136	93	-31.6%	483	299	-38.1%	576	499	-13.4%	177	151	-14.7%
Transportation & public utilities	43	33	-23.3%	201	133	-33.8%	299	380	27.1%	160	78	-51.3%
Wholesale trade	78	78	0.0%	423	228	-46.1%	513	424	-17.3%	234	155	-33.8%
Retail trade	188	188	0.0%	1,064	794	-25.4%	1,533	1,681	9.7%	676	466	-31.1%
Finance/insurance/real estate	23	30	30.4%	138	99	-28.3%	171	297	73.7%	127	81	-36.2%
Services	245	195	-20.4%	867	794	-8.4%	2,455	1,967	-19.9%	987	892	-9.6%
Nonclassifiable establishments	1	1		8	9		262	253		3	4	
Total	850	759	-10.7%	3,737	2,879	-23.0%	6,888	6,696	-2.8%	3,222	2,283	-29.1%

Industry	South Atlantic			East South Central			West South Central			Mountain		
	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change
Agriculture/forestry/fishing	70	111	58.6%	96	71	-26.0%	183	194	6.0%	129	89	-31.0%
Mining	34	33	-2.9%	57	27	-52.6%	187	140	-25.1%	37	22	-40.5%
Construction	765	884	15.6%	326	282	-13.5%	1,046	837	-20.0%	516	448	-13.2%
Manufacturing	393	406	3.3%	183	160	-12.6%	501	429	-14.4%	246	229	-6.9%
Transportation & public utilities	195	187	-4.1%	101	89	-11.9%	214	219	2.3%	112	89	-20.5%
Wholesale trade	545	437	-19.8%	171	139	-18.7%	720	490	-31.9%	250	222	-11.2%
Retail trade	1,175	1,282	9.1%	585	530	-9.4%	1,495	1,264	-15.5%	843	713	-15.4%
Finance/insurance/real estate	245	258	5.3%	67	79	17.9%	604	518	-14.2%	196	235	19.9%
Services	2,077	2,176	4.8%	864	716	-17.1%	3,546	2,095	-40.9%	2,119	1,301	-38.6%
Nonclassifiable establishments	3	17		2	0		0	144		1	2	
Total	5,502	5,791	5.3%	2,452	2,093	-14.6%	8,496	6,330	-25.5%	4,449	3,350	-24.7%

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

Business Failures by U.S. Census Region by industry
First nine months 1988 vs. first nine months 1989*

Industry	Pacific 1988	1989	% Change	Total U.S. 1988	1989	% Change
Agriculture/forestry/fishing	182	191	4.9%	1,452	1,088	-25.1%
Mining	16	7	-56.3%	387	267	-31.0%
Construction	802	898	12.0%	5,233	5,194	-0.7%
Manufacturing	669	593	-11.4%	3,364	2,859	-15.0%
Transportation & public utilities	299	292	-2.3%	1,624	1,500	-7.6%
Wholesale trade	599	491	-18.0%	3,533	2,664	-24.6%
Retail trade	1,342	1,286	-4.2%	8,901	8,204	-7.8%
Finance/insurance/real estate	321	449	39.9%	1,892	2,046	8.1%
Services	4,958	3,410	-31.2%	18,118	13,546	-25.2%
Nonclassifiable establishments	12	22		292	452	
Total	9,200	7,639	-17.0%	44,796	37,820	-15.6%

* Data for 1988 are final; figures for 1989 are preliminary.

Source: The Dun & Bradstreet Corporation, Economic Analysis Department